

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

SACRAMENTO, CA 95814



June 7, 1985

All County Welfare Directors
County Administrative Officers

Letter No.: 85-43

RETROACTIVE MEDI-CAL CARD ISSUANCE DUE TO SMITH V. HECKLER AND
LIVERMORE V. THE SECRETARY OF HEALTH AND HUMAN SERVICES (HHS)

The Social Security Administration (SSA) recently sent Notices of Potential Class Membership to two groups of former applicants and recipients of SSI/SSP in California pursuant to court orders. These orders and their potential effect on Medi-Cal are discussed below.

Smith v. Heckler:

This court order, issued in April 1984 by the Ninth Circuit Court, reinterpreted the SSA disability criteria for Title XVI or Title II disability applicants who fail to meet or equal the Listing of Impairments established by SSA. The order forbids SSA to deny disability status based solely on the severity of the applicant's impairments without considering the impact of those impairments on the applicant's ability to work. As a result, prior to denying disability status to an applicant, a vocational evaluation must be performed which considers an applicant's age, education, skills and residual functional capacity.

The order further required SSA to reevaluate any application where disability was denied without a vocational evaluation on or after April 1, 1984. Any applicant whose reevaluation results in a finding of disability must be granted retroactive Title II or Title XVI benefits. No reevaluation is required on any application for Title II or Title XVI benefits prior to April 1, 1984.

Applicants determined to be retroactively eligible for Title XVI benefits under this order will be entitled to receive retroactive Medi-Cal cards for the same period. Those individuals who request Medi-Cal cards will be given a written referral to the county welfare department. Because retroactive benefits are only authorized back to April 1, 1984, the majority of retroactive Medi-Cal cards that must be issued will be within the one year billing limitation. However, for those months beyond the one year limit, the county must follow the procedures described below.

Livermore V. The Secretary of HHS

This court order, issued November 14, 1983 by the Central District Court, required SSA to redetermine the benefits of all blind individuals in California who were "grandfathered" from the county administered Aid to the Blind (AB) program to the SSI program. The court found that SSA had incorrectly computed the income of these individuals and ordered SSA to contact an estimated 8,645 potential class members to inform them of their right to file for a redetermination for potential payment of additional benefit amounts. Retroactive benefits for affected individuals will be recomputed back to December, 1973. Notices of potential class membership were sent by SSA in April, 1985.

SSA has informed us that the majority of these cases remained SSI eligible despite the erroneous income methodology. However, in a very few cases, an individual may have been discontinued from SSA due to excess income. These discontinued cases will be retroactively reinstated to the SSI program and will be eligible for retroactive Medi-Cal back to the date of discontinuance. Those individuals who request Medi-Cal cards will be given a written referral to the county welfare department. If Medi-Cal cards more than one year old are requested, the county must follow the procedure outlined below.

Medi-Cal Card Issuance and Provider Instructions

SSA will process reinstatement applications for potential class members in these two lawsuits. If the individual is retroactively reinstated by SSA and requests retroactive Medi-Cal cards, SSA will make a written referral to the county welfare department. This referral will reference the court order under which the individual is entitled to benefits and the period for which retroactive Medi-Cal cards are to be issued. Only persons determined eligible for SSI and retroactively reinstated will be referred to the county welfare department. The referral notice from SSA will authorize card issuance for either the entire entitlement period or only for specific months as requested by the individual.

The county welfare department must issue the retroactive Medi-Cal cards as requested by SSA. If the cards requested are for months which do not fall within the one year billing limitation, the county must provide the beneficiary with a letter to his/her providers indicating billing instructions. We have prepared and attached the necessary provider letter for both court orders. The county must enter the name of the beneficiary and the months for which Medi-Cal cards have been issued on the notice to providers prior to giving the letter to the beneficiary. The beneficiary

All County Welfare Directors -3-
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should be instructed to give a copy of the letter to each provider along with the Medi-Cal labels as quickly as possible in order to ensure reimbursement.

If you have any questions, please contact Toni Bailey at (916) 324-4953.

Sincerely,

Original signed by

Tom J. Elkin, Acting Chief
Medi-Cal Eligibility Branch

Attachments

cc: Medi-Cal Liaison
Medi-Cal Program Consultants

Expiration Date: January 1, 1986

Dear _____:

Attached is a replacement Medi-Cal card(s) for _____ for the month(s) of _____. This card was issued in accordance with the court order in Smith v. Heckler which entitles certain individuals to retroactive benefits. County welfare departments have been instructed to issue Medi-Cal cards more than one year after the date of service to these individuals.

To ensure that your claims will be processed, code the billing limit box on the claim form with an "8", mark the attachment box on the claim with an "X" and indicate the date proof of eligibility was received in the remarks section of the claim. Additionally, attach all the necessary documentation required to process the claim (e.g., Treatment Authorization Request (TAR) control number inserted in the appropriate box on the claim form; Sterilization Consent Form (PM 330); Operative Report or Medi-Cal Justification if necessary; etc.). When requesting a retro-TAR from the Medi-Cal field office, it will facilitate processing if you attach a copy of this letter with the TAR request.

A copy of this letter, along with the patient's replacement Medi-Cal label, must be attached to your completed claim form for the month of service. The completed claim form should then be submitted to:

Department of Health Services
Fiscal Intermediary Management Division
Provider Services Section
714 P Street, Room 950
Sacramento, CA 95814

Should you have any questions regarding this matter, please contact the welfare department at _____.

Sincerely,

Medi-Cal Program Manager

Dear _____:

Attached is a replacement Medi-Cal card(s) for _____ for the month(s) of _____. This card was issued in accordance with the court order in Livermore v. the Secretary of HHS which entitles certain individuals to retroactive benefits. County welfare departments have been instructed to issue Medi-Cal cards more than one year after the date of service to these individuals.

To ensure that your claims will be processed, code the billing limit box on the claim form with an "8", mark the attachment box on the claim with an "X" and indicate the date proof of eligibility was received in the remarks section of the claim. Additionally, attach all the necessary documentation required to process the claim (e.g., Treatment Authorization Request (TAR) control number inserted in the appropriate box on the claim form; Sterilization Consent Form (PM 330); Operative Report or Medi-Cal Justification if necessary; etc.). When requesting a retro-TAR from the Medi-Cal field office, it will facilitate processing if you attach a copy of this letter with the TAR request.

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Medi-Cal Program Manager